

HOUSE BILL 198

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 28, 2011

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 23, 2011

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions – Authority of Commissioner of Financial Regulation –**
3 **Information Sharing**

4 FOR the purpose of authorizing the Commissioner of Financial Regulation to enter
5 into cooperative and information-sharing agreements and to exchange
6 information about a financial institution with certain federal or state law
7 enforcement agencies under certain circumstances; increasing the number of
8 agencies with which the Commissioner may enter into cooperative or
9 information-sharing agreements to include the Office of Foreign Assets Control;
10 providing that if the Commissioner receives a record from an agency that
11 retains ownership of the record, the Commissioner may not disclose the record
12 to any person that requests the record under the Maryland Freedom of
13 Information Act; requiring the Commissioner to forward the request to the
14 agency that owns the record for processing in accordance with certain laws and
15 regulations; altering a certain definition; making certain clarifying and
16 conforming changes; and generally relating to the authority of the
17 Commissioner of Financial Regulation to supervise financial institutions.

18 BY repealing and reenacting, with amendments,
19 Article – Financial Institutions
20 Section 2–117, 5–901(g), and 5–909
21 Annotated Code of Maryland
22 (2003 Replacement Volume and 2010 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,
2 Article – Financial Institutions
3 Section 5–901(a)
4 Annotated Code of Maryland
5 (2003 Replacement Volume and 2010 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article – Financial Institutions**

9 2–117.

10 (a) Subject to subsections [(b) and (c)] **(B), (C), AND (D)** of this section,
11 notwithstanding any other provision of [state] **STATE** laws or regulations, the
12 Commissioner may:

13 (1) Enter into cooperative and information sharing agreements with
14 any federal or state regulatory agency having authority over financial institutions **OR**
15 **WITH ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY**, provided that the
16 agreements prohibit the agency from disclosing any shared information without prior
17 written consent from the Commissioner regarding disclosure of the particular
18 information; and

19 (2) Exchange information about a financial institution, including
20 information obtained during an examination, with any federal or state regulatory
21 agency having authority over the financial institution **OR WITH ANY FEDERAL OR**
22 **STATE LAW ENFORCEMENT AGENCY.**

23 **(B) IF THE COMMISSIONER RECEIVES A RECORD FROM AN AGENCY**
24 **UNDER A COOPERATIVE AND INFORMATION SHARING AGREEMENT AUTHORIZED**
25 **BY SUBSECTION (A)(1) OF THIS SECTION AND THE AGENCY EXPRESSLY RETAINS**
26 **OWNERSHIP OF THE RECORD, EITHER IN WRITING OR BY LAW OR REGULATION,**
27 **THE COMMISSIONER:**

28 **(1) MAY NOT DISCLOSE THE RECORD TO ANY PERSON THAT**
29 **REQUESTS THE RECORD UNDER §§ 10–611 THROUGH 10–628 OF THE STATE**
30 **GOVERNMENT ARTICLE; AND**

31 **(2) SHALL FORWARD THE REQUEST FOR THE RECORD TO THE**
32 **AGENCY THAT OWNS THE RECORD FOR PROCESSING IN ACCORDANCE WITH THE**
33 **LAWS OR REGULATIONS GOVERNING DISCLOSURE OF THE AGENCY’S RECORDS.**

34 **[(b)] (C)** Notwithstanding § 2–113(d) of this subtitle, an affiliate as defined
35 in § 2–113(a) of this subtitle is subject to subsection (a) of this section if that affiliate
36 maintains or is required to maintain a license issued by the Commissioner.

1 **[(c)] (D)** This section does not authorize the Commissioner to share or
2 exchange information in any way prohibited by federal law.

3 5–901.

4 (a) In this subtitle the following words have the meanings indicated.

5 (g) “Bank supervisory agency” means:

6 (1) The Office of the Comptroller of the Currency, the Federal Deposit
7 Insurance Corporation, **[and]** the Board of Governors of the Federal Reserve System,
8 **AND THE OFFICE OF FOREIGN ASSETS CONTROL**, and any successor to these
9 agencies;

10 (2) Any agency of another state with primary responsibility for
11 chartering and supervising banks; and

12 (3) Any agency of a foreign country with primary responsibility for
13 chartering and supervising banks.

14 5–909.

15 **(A)** In order to carry out the purposes of this article, the Commissioner may:

16 (1) Adopt regulations; and

17 (2) **[Enter] SUBJECT TO SUBSECTION (B) OF THIS SECTION,**
18 **ENTER** into cooperative or information–sharing agreements with any other bank
19 supervisory agency.

20 **(B) IF THE COMMISSIONER RECEIVES A RECORD FROM A BANK**
21 **SUPERVISORY AGENCY UNDER A COOPERATIVE OR AN INFORMATION–SHARING**
22 **AGREEMENT AUTHORIZED BY SUBSECTION (A)(2) OF THIS SECTION AND THE**
23 **BANK SUPERVISORY AGENCY EXPRESSLY RETAINS OWNERSHIP OF THE RECORD,**
24 **EITHER IN WRITING OR BY LAW OR REGULATION, THE COMMISSIONER:**

25 (1) **MAY NOT DISCLOSE THE RECORD TO ANY PERSON THAT**
26 **REQUESTS THE RECORD UNDER §§ 10–611 THROUGH 10–628 OF THE STATE**
27 **GOVERNMENT ARTICLE; AND**

28 (2) **SHALL FORWARD THE REQUEST FOR THE RECORD TO THE**
29 **BANK SUPERVISORY AGENCY THAT OWNS THE RECORD FOR PROCESSING IN**
30 **ACCORDANCE WITH THE LAWS OR REGULATIONS GOVERNING DISCLOSURE OF**
31 **THE BANK SUPERVISORY AGENCY’S RECORDS.**

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.